



Name :
Roll No. :
Invigilator's Signature :

CS / BCA / SEM-3 / BBA-301 / 2010-11

2010-11

MANAGEMENT AND ACCOUNTING

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following :

10 × 1 = 10

- i) Current assets do not include
- a) Sundry Debtors
 - b) Closing Inventories
 - c) Fixed Deposits
 - d) U.S. Dollars kept in State Bank of India in the Company's Forex Account.



- ii) Goodwill account is a
- a) Personal Account b) Real Account
- c) Nominal Account d) Contingent Account.
- iii) Printer purchased by a Shipping Company is an example of
- a) Fixed Asset b) Current Asset
- c) Mortgaged Asset d) Fictitious Asset.
- iv) The Trading Account of business shows the
- a) balance of all accounts
- b) Gross Profit earned
- c) Net Profit earned
- d) payment of trade related taxes.
- v) 'Deciding in advance what will be done in future' – is the major aspect of
- a) organising b) planning
- c) staffing d) consolidating.
- vi) Trial Balance is
- a) an account b) a statement
- c) a real account d) a nominal account.



- vii) MBO stands for
- a) Management by Objects
 - b) Management by Organization
 - c) Management by Orientation
 - d) Management by Objectives.
- viii) Which of the following cost item would be matched with current revenues on a basis other than association of cause and effect ?
- a) Goodwill
 - b) Sales Commission
 - c) Cost of goods sold
 - d) Purchase on credit.
- ix) Accumulated depreciation is an example of
- a) an expense
 - b) an unrecorded revenue
 - c) a liability
 - d) a contra entry.
- x) When prices are rising, which of the methods shows higher profitability ?
- a) LIFO
 - b) FIFO
 - c) Average cost method
 - d) Base stock method.



- xi) The term 'closing inventory' is shown in balance sheet under
- fixed cost
 - current cost
 - current liabilities
 - miscellaneous expenditure.
- xii) Financial Accounting system comprises
- Double entry book keeping system
 - Accounts receivable system
 - Accounts payable system
 - all of these.

GROUP - B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

- Define Management. Is Management a science or art ?
- Briefly explain the steps involved in Planning.
- Distinguish between Trial Balance & Balance Sheet.
- The Z Co. Ltd. places before you the following figures :

Year	Sales	Profit
2001	Rs. 2,00,000	Rs. 10,000
2002	Rs. 1,80,000	Rs. 2,000

You are required to calculate (i) PV ratio (ii) BEP sales and (iii) Expected profit with sales of Rs. 3,00,000.



6. The particulars of receipts and issues of materials in a factory in January, 2010 are as under

Jan 1	Opening Balance	1500 kgs	@ Rs. 12.00 per kg
2	Issued	650 kgs	
5	Purchased	400 kgs	@ Rs. 12.60 per kg
9	Issued	300 kgs	
10	Purchased	200 kgs	@ Rs. 12.50 per kg
11	Issued	300 kgs	
12	Returned from workshop issued on 2nd January	2 kgs	
13	Issued	450 kgs	
16	Purchased	500 kgs	@ Rs. 13.00 per kg
18	Issued	400 kgs	
22	Purchased	300 kgs	@ Rs. 12.00 per kg
30	Issued	200 kgs	

Pricing of issues is to be done on FIFO basis. A shortage of 10 kg. was noticed on 16th January. Prepare the Store Ledger for the month of January, 2010.



GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

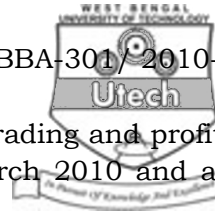
7. a) Write the main points of distinction between NPV and IRR.
- b) Vista Co. Ltd. has 2 options in hand regarding purchasing one machine. The details in respect of each machine is given below :

Initial Investment of Machine A is Rs. 80,000 and Machine B is Rs. 90,000

Net Cash Flows after Tax year	Machine-A Rs.	Machine-B Rs.	PVIF
1	22,000	16,000	0.870
2	30,000	24,000	0.718
3	40,000	36,000	0.609
4	32,000	48,000	0.516
5	16,000	30,000	0.437

As a Finance Manager which Machine would you purchase ? Assume minimum rate of return laid down by management is 15% p.a. $5 + 10$

8. What do you mean by depreciation ? State the common methods used in calculating depreciation. Is it possible for a company to change its method of depreciation ? $5 + 3 + 7$



9. From the following trial balance prepare trading and profit & loss account for the year ended 31st March 2010 and also the balance sheet on the same date :

15

	Debit balance (Rs.)	Credit balance (Rs.)
Sundry creditors		46,000
Rent	1,200	
Cash at bank	3,000	
Cash in hand	1,400	
Opening stock	16,000	
Bad debts	1,000	
Discounts	400	1000
Purchases	1,10,000	
Sales		1,68,000
Carriage on sales	3,600	
Plant and machinery	20,000	
Sales returns	8,000	
Purchase returns		4,000
Carriage on purchases	1,000	
Furniture and fixtures	12,000	
Insurance	3,000	
Salaries	6,000	
Bills receivable	12,000	
Drawings	12,000	
Wages	12,000	
Provisions for doubtful debts		2,000
Capital		50,000
Sundry debtors	40,000	
Commission	8,400	

Adjustments :

Closing stock = Rs. 20,000

Maintain reserve for doubtful debt 6% on debtors

Outstanding salary Rs. 1,000 and outstanding rent Rs. 200

Insurance prepaid Rs. 200

Depreciated plant and machinery at 10% and furniture and fixtures at 5%.



10. Write a short notes on any *three* of the following : 3 × 5
- a) Cost volume profit analysis
 - b) Types of assets
 - c) Internal rate of return
 - d) Term financing
 - e) Profitability ratio.

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